

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION**

TRINET GROUP, INC. and TRINET
USA, INC.

Plaintiffs,

v.

BLANCA ABBUD,

Defendant.

CIVIL ACTION NO. 5:19-cv-00055-FB

SCHEDULING CONFERENCE REPORT

Pursuant to Federal Rule of Civil Procedure 26(f), Plaintiffs TriNet Group, Inc. and TriNet HR Corporation (collectively “TriNet”), and Defendant Blanca Abbud, hereby provide the following joint report:

A. Statement of the Case

Plaintiffs’ Statement of their Claims

TriNet is a leading provider of comprehensive human resources solutions for small and midsize businesses and operates under a co-employment business model known as a Professional Employer Organization (“PEO”). Under the PEO model, employment-related responsibilities are contractually allocated among TriNet and its customers.

Defendant Blanca Abbud worked for TriNet (or a related entity) beginning in February 2013. In September 2018, Ms. Abbud voluntarily terminated her employment with TriNet and began working for SWBC Professional Employer Services (“SWBC”). Like TriNet, SWBC offers POE services, and directly competes with TriNet.

As alleged in the Complaint, just before she terminated her employment with TriNet, Ms. Abbud misappropriated TriNet’s confidential business and employee information about current and prospective customers of TriNet, which information had been generated in the course of her employment with TriNet. This information constitutes Company Information and Third Party Information (as defined in the Proprietary Information and Invention Agreement (“PIIA”) signed by Ms. Abbud). This information is also Company Property (as defined in the PIIA), which Ms. Abbud was required to return to TriNet pursuant to the PIIA. Ms. Abbud subsequently misappropriated the information to acquire AmeriSurveyors as a client for SWBC. TriNet seeks equitable and legal relief for Ms. Abbud’s misuse of TriNet’s confidential information, including her use and/or dissemination of that information while employed by SWBC.

Defendant’s Statement of Her Defenses

Ms. Abbud denies that she wrongfully misappropriated any Proprietary Information. To the extent that she may have inadvertently and innocently kept

any purported Proprietary Information, she promptly returned and/or destroyed the same after she was made aware of the same by Plaintiffs. Ms. Abuud denies that she misappropriated information to acquire AmeriSurveyors (assuming AmeriSurveyors can even be categorized as “Proprietary Information”) as a client for her current employer, SWBC. Ultimately, Ms. Abbud’s position is that Plaintiffs’ cannot prove any damages associated with the misconduct she is accused of.

B. Subject Matter Jurisdiction

This Court has federal question jurisdiction under 28 U.S.C. § 1332(a) because Plaintiffs TriNet Group and TriNet USA and Defendant Abbud are citizens of different states and the amount in controversy exceeds \$75,000, exclusive of interest and costs.

C. Rule 26(f) Issues

- (1) The parties do not believe that any material changes should be made in the timing, form, or requirement of Rule 26(a)(1) disclosures should be made. The parties agree to serve their Rule 26(a)(1) disclosures within five business days of this filing.
- (2) The subjects of discovery include: Whether certain documents and information qualify as Company Information, Third Party Information or Company Property, as defined in the binding Proprietary

Information and Invention Agreement (“PIIA”) allegedly signed by Ms. Abbud; Whether Ms. Abbud breached the PIIA; Whether Ms. Abbud breached her fiduciary duty and/or duty of loyalty to TriNet; Whether Ms. Abbud violated the Texas Theft Liability Act; Whether Ms. Abbud should be enjoined and required to return all Company Information, Third Party Information and Company Property in her possession, custody or control and to destroy of have destroyed all copies, excerpts, abstracts and summaries of this information; and the existence and quantity of damages and/or disgorgement and exemplary damages.

Whether Plaintiffs suffered any damages as a result of any of the Defendant’s alleged misconduct.

The parties have submitted their joint Scheduling Recommendations and state that the proposed deadlines and timing of discovery proposed therein substantially adopt the dates recommended in the Court’s “Order for Scheduling Recommendations And Advisory Concerning Assignment of Magistrate Judge,” dated February 15, 2019.

- (3) The parties do not believe that any changes to the limitations to discovery imposed by the Federal Rules of Civil Procedure or this Court's Local Rules.
- (4) The parties believe that the Court should enter a protective order based on the Western District model, which they will submit to the Court for consideration. At this time, the parties are not aware of other orders that should be entered by the Court under rule 26(c) or Rule 16(b) and (c).

DATED: March 15, 2019

Respectfully submitted,

/s/ Gerald E. Hawxhurst
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DATED: March 14, 2019

Respectfully submitted,

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CERTIFICATE OF SERVICE
When All Case Participants are Registered for the
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U.S. District Court Docket Number: 5:19-cv-00055-FB

I hereby certify that I electronically filed the foregoing document with the Clerk of the Court for the United States Court of Appeals for the Ninth Circuit by using the appellate CM/ECF system on March 15, 2019.

I certify that all participants in the case are registered CM/ECF users and that service will be accomplished by the appellate CM/ECF system.

DATED: March 15, 2019

HAWXHURST HARRIS LLP

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